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13 *Attorneys for Defendant Tezos Stiftung*

14 UNITED STATES DISTRICT COURT
15 FOR THE NORTHERN DISTRICT OF CALIFORNIA
16 SAN FRANCISCO DIVISION

17
18 IN RE TEZOS SECURITIES LITIGATION
19 This document relates to: All Actions
20

21 Master File No. 17-cv-06779-RS
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CLASS ACTION

**DEFENDANT TEZOS STIFTUNG'S
ANSWER TO LEAD PLAINTIFF'S
CONSOLIDATED COMPLAINT**

Dept.: Courtroom 3, 17th Floor
Judge: Hon. Richard Seeborg

1 Pursuant to Rules 8 and 12 of the Federal Rules of Civil Procedure, Defendant Tezos
 2 Stiftung (the “Foundation”), by its undersigned attorneys, responds to the allegations contained in
 3 the numbered paragraphs of Lead Plaintiff’s Consolidated Complaint for Violations of the Federal
 4 Securities Laws (the “Consolidated Complaint”) in the above-captioned action, as to itself, based
 5 on its present knowledge. The Foundation denies all allegations contained in the Consolidated
 6 Complaint, including headings, captions, footnotes, the Prayer for Relief, and the Jury Trial
 7 Demand, unless specifically admitted.

8 **RESPONSES TO ALLEGATIONS OF THE CONSOLIDATED COMPLAINT**

9 1. Denies, except admits that Lead Plaintiff brings a putative class action for alleged
 10 violations of the federal securities laws based on contributions of cryptocurrency to a fundraiser
 11 conducted in July 2017 (the “Fundraiser”) in connection with the Tezos blockchain project (the
 12 “Tezos Project”).

13 2. Denies, except admits that the equivalent of approximately \$232 million in bitcoin
 14 and ether was raised during the Fundraiser (at July 2017 prices) and that the U.S. dollar value of
 15 contributed bitcoin and ether have, according to the website Coinmarketcap.com, fluctuated
 16 following the Fundraiser. Further, denies the allegations in footnote 2, except admits that,
 17 according to the website Coinmarketcap.com, bitcoin was valued at \$17,131.27 per bitcoin on
 18 January 7, 2018, and ether was valued at \$1,097.67 per ether.

19 3. Contains legal arguments or conclusions of law as to which no response is necessary
 20 or required. To the extent that any response is required, denies.

21 4. Contains legal arguments or conclusions of law as to which no response is necessary
 22 or required. To the extent that any response is required, denies, except admits that this paragraph
 23 contains excerpts of quotations that appear in the cited sources. The Foundation respectfully refers
 24 the Court to those sources for their complete and accurate contents.

25 5. Denies, except admits that the excerpts of quotations from Jay Clayton’s January 22,
 26 2018 remarks appear in the cited source. The Foundation respectfully refers the Court to the cited
 27 sources for their complete and accurate contents.

1 6. Denies the allegation in the first sentence. The remaining allegations contain legal
 2 arguments or conclusions of law to which no response is necessary or required. To the extent any
 3 response is required, denies.

4 7. Contains legal arguments or conclusions of law as to which no response is necessary
 5 or required. To the extent any response is required, denies to the extent directed to the Foundation,
 6 and otherwise denies knowledge or information sufficient to form a belief as to their truth as to
 7 other persons. Further, denies the allegations in footnote 4, except admits that HitBTC purports to
 8 be a cryptocurrency exchange accessible via the internet and that footnote 4 contains an excerpt of
 9 a quotation that appears in the cited source, which excerpt does not pertain to Tezos. The
 10 Foundation respectfully refers the Court to that source for its complete and accurate contents.

11 8. Denies, except admits that the Foundation was to receive a recommended allocation
 12 of approximately 10% of the initial allocation of XTZ in order to finance the purchase of the shares
 13 of Dynamic Ledger Solutions, Inc (“DLS”), and that the Foundation was to receive a recommended
 14 allocation of approximately 10% of the initial allocation of XTZ to be used at the Foundation’s
 15 discretion. The Foundation respectfully refers the Court to the Tezos Contribution and XTZ
 16 Allocation Terms and Explanatory Notes (“Contribution Terms”), which describe the
 17 recommended allocations, for their complete and accurate contents.

18 9. Denies, and respectfully refers the Court to the Contribution Terms, which describe
 19 the Foundation’s obligations in connection with the Fundraiser, for their complete and accurate
 20 contents.

21 10. Contains legal arguments and conclusions of law as to which no response is
 22 necessary or required. To the extent any response is required, denies.

23 11. Contains legal arguments and conclusions of law as to which no response is
 24 necessary or required. To the extent any response is required, denies.

25 12. Contains legal arguments and conclusions of law as to which no response is
 26 necessary or required. To the extent any response is required, denies.

27 13. Contains legal arguments and conclusions of law as to which no response is
 28 necessary or required. To the extent any response is required, denies.

1 14. Denies to the extent directed to the Foundation, and otherwise denies knowledge or
2 information sufficient to form a belief as to the truth of the allegations as to other persons.

3 15. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations.

5 16. Admits the allegation in first sentence. Denies the allegations in the second and
6 third sentences, except admits that the Foundation has a contractual agreement with DLS and took
7 custody of the proceeds of the Fundraiser.

8 17. The allegation in the first sentence contains a legal argument or conclusion of law as
9 to which no response is necessary or required. To the extent any response is required, denies the
10 allegation in the first sentence, except admits that the Court has determined that it has jurisdiction
11 over the Foundation. Denies the allegation in the second sentence, except admits that the
12 Fundraiser was conducted for approximately two weeks during July 2017. Admits that the
13 allegations in the third and fourth sentences contain excerpts of quotations that appear in the cited
14 source, and respectfully refers the Court to the Tezos Overview for its complete and accurate
15 contents. Denies the allegations in the fifth sentence, except admits that the allegations contain
16 excerpts of quotations that appear in the cited source, and respectfully refers the Court to the Tezos
17 Overview for its complete and accurate contents. Denies knowledge and information sufficient to
18 form a belief as to the truth of the allegations in the sixth sentence. Denies the allegation in the
19 seventh sentence.

20 18. The allegation in the first sentence contains a legal argument or conclusion of law to
21 which no response is required. To the extent any response is required, denies the allegation in the
22 first sentence. Denies knowledge or information sufficient to form a belief as to the truth of the
23 remaining allegations, except admits that a video purporting to be an “instructional video” by Ross
24 Kenyon was posted on YouTube.

25 19. Denies, except admits that the domain name registration information for tezos.com
26 purports to identify Johann Gevers and the Foundation’s address as the administrative contact, that
27 Mr. Gevers was a director of the Foundation at the time of the Fundraiser, and that the allegations
28

1 contain excerpts of quotations that appear in the cited sources. The Foundation respectfully refers
2 the Court to these sources for their complete and accurate contents.

3 20. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations.

5 21. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations.

7 22. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations.

9 23. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations.

11 24. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations.

13 25. Contains legal arguments and conclusions of law to which no response is necessary
14 or required. To the extent any response is required, denies to the extent directed to the Foundation
15 and denies knowledge or information sufficient to form a belief as to the truth of the remaining
16 allegations, except admits that Bitcoin Suisse provided financial services to the Foundation in
17 connection with the Fundraiser.

18 26. Denies the allegations in the first sentence, except admits that Bitcoin Suisse acted
19 as a co-signatory for funds contributed during the Fundraiser. Denies knowledge or information
20 sufficient to form a belief as to the remaining allegations.

21 27. Denies, except admits that the Tezos Project involves blockchain technology, and
22 that the allegations contain an excerpt of a quotation that appears in the cited source. The
23 Foundation respectfully refers the Court to that source for its complete and accurate contents.

24 28. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations, except admits that the blockchain technology utilized by the Tezos Project is
26 decentralized and not controlled or maintained by any single entity.

27

28

1 29. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations, except admits that the blockchain technology utilized by the Tezos Project records
3 transactions throughout the world.

4 30. Denies knowledge or information sufficient to form a belief as to the truth of the
5 allegations, except admits that the blockchain technology utilized by the Tezos Project is widely
6 distributed and designed to prevent false transactions from being recorded.

7 31. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations in the first, second, and third sentences, except admits that the blockchain technology
9 utilized by the Tezos Project involves the creation of virtual tokens that entitle holders to vote on
10 amendments to the protocol. Denies the allegation in the fourth sentence, except admits that the
11 allegation contains an excerpt of a quotation that appears in the cited source. The Foundation
12 respectfully refers the Court to the cited source for its complete and accurate content.

13 32. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations.

15 33. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations, except admits that the Tezos White Paper purports to discuss the Tezos Project. The
17 Foundation respectfully refers the Court to the Tezos White Paper for its complete and accurate
18 content.

19 34. Denies, except admits that the Tezos White Paper purports to describe the Tezos
20 Project. The Foundation respectfully refers the Court to the Tezos White Paper for its complete and
21 accurate content.

22 35. Denies knowledge or information sufficient to form a belief as to the truth of the
23 allegations.

24 36. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations.

26 37. Denies, except admits that the allegations contain excerpts of quotations that appear
27 in the cited source. The Foundation respectfully refers the Court to the cited source for its complete
28 and accurate content.

1 38. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations.

3 39. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations, except denies the allegations to the extent that they purport to describe the Fundraiser.

5 40. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
7 source. The Foundation respectfully refers the Court to the cited source for its complete and
8 accurate content.

9 41. Denies, except admits that the Fundraiser was held from approximately July 1, 2017
10 to July 14, 2017 and was open to the public.

11 42. Denies, except admits that the Fundraiser had no limit on the number of contributors
12 who could participate or on the amount that could be contributed by any one donor.

13 43. Denies, and respectfully refers the Court to the Contribution Terms, which describe
14 the recommended allocations, for their complete and accurate contents.

15 44. Denies.

16 45. Denies.

17 46. Denies, except admits that the allegations contain an excerpt of a quotation that
18 appears in the cited source. The Foundation respectfully refers the Court to that source for its
19 complete and accurate content.

20 47. Denies, except admits that the Foundation was founded as a Swiss non-profit
21 (Stiftung) with its principle place of business in Zug, Switzerland; that the Foundation's mission
22 includes providing support in the form of grants in connection with the Tezos protocol; and that the
23 allegations contain excerpts of quotations that appear in the cited sources. The Foundation
24 respectfully refers the Court to those sources for their complete and accurate content.

25 48. Denies, except admits that the Foundation did not control www.tezos.ch as of the
26 date of the complaint and that the allegations contain excerpts of quotations that appear in the cited
27 sources. The Foundation respectfully refers the Court to those sources for their complete and
28 accurate content.

1 49. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations. Further, denies the allegations in footnote 23, except admits that the allegations contain
3 an excerpt of a quotation that appears in the cited source. The Foundation respectfully refers the
4 Court to that source for its complete and accurate content.

5 50. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations.

7 51. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations.

9 52. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations.

11 53. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations.

13 54. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations, except admits that the allegations contain excerpts of quotation that appear in the cited
15 source. The Foundation respectfully refers the Court to that source for its complete and accurate
16 content.

17 55. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations.

19 56. Denies knowledge or information sufficient to form a belief as to the truth of the
20 allegations.

21 57. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations, except admits that the Fundraiser was scheduled to begin on Saturday, July 1, 2017 at
23 6:00 a.m. UTC.

24 58. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations.

26 59. Denies knowledge or information sufficient to form a belief as to the truth of the
27 allegations, except admits that Bitcoin Suisse acted as a co-signatory for funds contributed during
28 the Fundraiser.

1 60. Denies.

2 61. Denies knowledge or information sufficient to form a belief as to the truth of the
3 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
4 source. The Foundation respectfully refers the Court to that source for its complete and accurate
5 content.

6 62. Denies knowledge or information sufficient to form a belief as to the truth of the
7 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
8 cited source. The Foundation respectfully refers the Court to that source for its complete and
9 accurate content.

10 63. Denies knowledge or information sufficient to form a belief as to the truth of the
11 allegations.

12 64. Denies.

13 65. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations, except denies to the extent that they purport to describe the Fundraiser, which is
15 described in the Contribution Terms. The Foundation respectfully refers the Court to that
16 document for its complete and accurate content.

17 66. Denies.

18 67. Admits that the allegations describe, in general, certain aspects of some
19 cryptocurrencies, but denies the allegations to the extent that they purport to describe the
20 technology underlying the Tezos Project.

21 68. Admits that the allegations describe, in general, certain aspects of some
22 cryptocurrencies, but denies the allegations to the extent that they purport to describe the
23 technology underlying the Tezos Project.

24 69. Admits that the allegations describe, in general, certain aspects of some
25 cryptocurrencies, but denies the allegations to the extent that they purport to describe the
26 technology underlying the Tezos Project.

27 70. Denies to the extent directed at the Foundation, and otherwise denies knowledge or
28 information sufficient to form a belief as to the truth as to the remaining allegations.

1 71. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations, except denies that contributors to the Fundraiser were investors and admits that
3 contributors to the Fundraiser were provided with digital wallets, private keys, and public keys.

4 72. Denies knowledge or information sufficient to form a belief as to the truth of the
5 allegations, except denies that contributors to the Fundraiser were investors and admits that the
6 Foundation provided contributors with addresses to make contributions in bitcoin and ether and that
7 addresses for contributions in bitcoin were unique to each contributor.

8 73. Denies knowledge or information sufficient to form a belief as to the truth of the
9 allegations.

10 74. Denies knowledge or information sufficient to form a belief as to the truth of the
11 allegations, except denies that contributions to the Fundraiser effected a digital transaction.

12 75. Denies.

13 76. Denies knowledge or information sufficient to form a belief as to the truth of the
14 allegations, except admits that the website check.tezos.com enabled contributors to confirm their
15 recommended allocation of XTZ.

16 77. Denies knowledge or information sufficient to form a belief as to the truth of the
17 allegations in the first two sentences, except admits that bitcoin and ether contributions to the
18 Fundraiser were recorded on the Bitcoin and Ethereum blockchain ledgers, respectively. The
19 allegations in the third sentence contain legal arguments and conclusions of law to which no
20 response is necessary or required. To the extent a response any required, denies the allegations in
21 the third sentence.

22 78. Denies, except admits that over 30,000 wallets were funded during the Fundraiser
23 and that the Foundation recommended the allocation of Tezos tokens in its genesis block.

24 79. Denies, except admits that the Foundation was to recommend that approximately
25 10% of the initial allocation of Tezos tokens be allocated to it and vest over four years. The
26 Foundation respectfully refers the Court to the Transparency Memo for its complete and accurate
27 contents, as well as to the Contribution Terms.

28

1 80. Denies, except admits that the Foundation collected the Fundraiser contributions to
2 provide support to the Tezos Project, pursuant to the Foundation's charter. Further, the allegations
3 in the first sentence of footnote 28 contain legal arguments or conclusions of law to which no
4 response is necessary or required. Denies the allegations in the second and third sentences of
5 footnote 28, except admits that the allegations contain an excerpt of a quotation that appears in the
6 cited source. The Foundation respectfully refers the Court to that source for its complete and
7 accurate content.

8 81. Contains legal arguments or conclusions of law to which no response is necessary or
9 required. To the extent any response is required, denies.

10 82. Contains legal arguments or conclusions of law to which no response is necessary or
11 required. To the extent any response is required, denies, except admits that the allegations contain
12 excerpts of quotations that appear in the cited source. The Foundation respectfully refers the Court
13 to that source for its complete and accurate content.

14 83. Contains legal arguments or conclusions of law to which no response is necessary or
15 required. To the extent any response is required, denies, except admits that the allegations contain
16 excerpts of quotations that appear in the cited source. The Foundation respectfully refers the Court
17 to that source for its complete and accurate content.

18 84. Contains legal arguments or conclusions of law to which no response is necessary or
19 required. To the extent any response is required, denies.

20 85. Contains legal arguments or conclusions of law to which no response is necessary or
21 required. To the extent any response is required, denies, except admits that participants in the
22 Fundraiser made contributions of bitcoin and ether.

23 86. Denies to the extent directed at the Foundation, except admits that participants in the
24 Fundraiser made contributions of bitcoin and ether. Denies knowledge or information sufficient to
25 form a belief as to the truth of the remaining allegations.

26 87. Denies, except admits that the allegations contain excerpts of quotations that appear
27 in the cited sources. The Foundation respectfully refers the Court to those sources for their
28 complete and accurate content.

1 88. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
3 cited source. The Foundation respectfully refers the Court to that source for its complete and
4 accurate content.

5 89. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
7 cited source. The Foundation respectfully refers the Court to that source for its complete and
8 accurate content.

9 90. Denies to the extent directed at the Foundation. Denies knowledge or information
10 sufficient to form a belief as to the truth of the remaining allegations.

11 91. Denies knowledge or information sufficient to form a belief as to the truth of the
12 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
13 cited source. The Foundation respectfully refers the Court to that source for its complete and
14 accurate content.

15 92. Denies to the extent directed at the Foundation. Denies knowledge or information
16 sufficient to form a belief as to the truth of the remaining allegations.

17 93. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
19 source. The Foundation respectfully refers the Court to that source for its complete and accurate
20 content.

21 94. Denies to the extent directed at the Foundation. Denies knowledge or information
22 sufficient to form a belief as to the truth of the remaining allegations.

23 95. Denies knowledge or information sufficient to form a belief as to the truth of the
24 allegations.

25 96. Denies, except admits that the Contribution Terms identify certain risks associated
26 with the Fundraiser. The Foundation respectfully refers the Court to the Contribution Terms for
27 their complete and accurate content.

1 97. Denies, except admits that holders of Tezos tokens are permitted to vote on upgrades
2 to the blockchain protocol and amendments to the voting procedure and that the allegations contain
3 excerpts of quotations that appear in the cited source. The Foundation respectfully refers the Court
4 to that source for its complete and accurate content.

5 98. Contains legal arguments or conclusions of law to which no response is necessary or
6 required. To the extent any response is required, denies.

7 99. Denies.

8 100. Denies, except admits that the allegations contain an excerpt of a quotation that
9 appears in the cited source. The Foundation respectfully refers the Court to that source for its
10 complete and accurate content.

11 101. Denies, except admits that the allegations contain an excerpt of a quotation that
12 appears in the cited source. The Foundation respectfully refers the Court to that source for its
13 complete and accurate content.

14 102. Denies, except admits that the Foundation collected the Fundraiser contributions to
15 provide support to the Tezos Project, pursuant to the Foundation's charter.

16 103. Denies to the extent directed at the Foundation. Denies knowledge or information
17 sufficient to form a belief as to the truth of the remaining allegations, except admits that the
18 allegations contain an excerpt of a quotation that appears in the cited source. The Foundation
19 respectfully refers the Court to that source for its complete and accurate content.

20 104. Denies knowledge or information sufficient to form a belief as to the truth of the
21 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
22 cited source. The Foundation respectfully refers the Court to that source for its complete and
23 accurate content.

24 105. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations, except admits that the allegations contain an excerpt of a quotations that appears in the
26 cited source. The Foundation respectfully refers the Court to that source for its complete and
27 accurate content.

28

1 106. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
3 cited source. The Foundation respectfully refers the Court to that source for its complete and
4 accurate content.

5 107. Denies knowledge or information sufficient to form a belief as to the truth of the
6 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
7 cited source. The Foundation respectfully refers the Court to that source for its complete and
8 accurate content.

9 108. Denies knowledge or information sufficient to form a belief as to the truth of the
10 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
11 cited source. The Foundation respectfully refers the Court to that source for its complete and
12 accurate content.

13 109. Denies to the extent directed at the Foundation. Denies knowledge or information
14 sufficient to form a belief as to the truth of the remaining allegations, except admits that the
15 allegations contain an excerpt of a quotation that appears in the cited source. The Foundation
16 respectfully refers the Court to that source for its complete and accurate content.

17 110. Denies knowledge or information sufficient to form a belief as to the truth of the
18 allegations, except admits that the allegations contain an excerpt of a quotation that appears in the
19 cited source. The Foundation respectfully refers the Court to that source for its complete and
20 accurate content.

21 111. Denies knowledge or information sufficient to form a belief as to the truth of the
22 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
23 source. The Foundation respectfully refers the Court to that source for its complete and accurate
24 content.

25 112. Denies.

26 113. Denies knowledge or information sufficient to form a belief as to the truth of the
27 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
28

1 source. The Foundation respectfully refers the Court to that source for its complete and accurate
2 content.

3 114. Denies knowledge or information sufficient to form a belief as to the truth of the
4 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
5 source. The Foundation respectfully refers the Court to that source for its complete and accurate
6 content.

7 115. Denies knowledge or information sufficient to form a belief as to the truth of the
8 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
9 source. The Foundation respectfully refers the Court to that source for its complete and accurate
10 content.

11 116. Denies.

12 117. Denies.

13 118. Denies to the extent directed at the Foundation. Denies knowledge or information
14 sufficient to form a belief as to the truth of the remaining allegations, except admits that the
15 allegations contain excerpts of quotations that appear in the cited sources. The Foundation
16 respectfully refers the Court to those sources for their complete and accurate content.

17 119. Denies, except admits that the allegations contain excerpts of quotations that appear
18 in the cited source. The Foundation respectfully refers the Court to that source for its complete and
19 accurate content.

20 120. Denies, except admits that the Foundation announced a commitment of \$50 million
21 in funding to companies looking to build on the Tezos platform.

22 121. Denies knowledge or information sufficient to form a belief as to the truth of the
23 allegations.

24 122. Denies knowledge or information sufficient to form a belief as to the truth of the
25 allegations, except admits that the allegations contain an excerpt of a quotation that appear in the
26 cited source. The Foundation respectfully refers the Court to that source for its complete and
27 accurate content.

28

1 123. Denies knowledge or information sufficient to form a belief as to the truth of the
2 allegations, except admits that the allegations contain an excerpt of a quotation that appear in the
3 cited source. The Foundation respectfully refers the Court to that source for its complete and
4 accurate content.

5 124. Denies.

6 125. Denies, except admits that the Contribution Terms were posted to tezos.ch, that
7 contributors to the Fundraiser were not entitled to receive anything solely by virtue of their
8 contributions, and that the allegations contain excerpts of quotations that appear in the Contribution
9 Terms. The Foundation respectfully refers the Court to the Contribution Terms for their complete
10 and accurate content.

11 126. Contains legal arguments and conclusions of law to which no response is necessary
12 or required. To the extent any response is required, denies, except admits that the Contribution
13 Terms were posted on tezos.ch.

14 127. Denies.

15 128. Denies knowledge or information sufficient to form a belief as to the truth of the
16 allegations, except admits that the allegations contain excerpts of quotations that appear in the cited
17 source. The Foundation respectfully refers the Court to that source for its complete and accurate
18 content.

19 129. Contains legal arguments and conclusions of law to which no response is necessary
20 or required. To the extent any response is required, the Foundation admits that the action purports
21 to represent a class of persons who contributed to the Fundraiser.

22 130. Contains legal arguments and conclusions of law to which no response is necessary
23 or required.

24 131. Denies the allegations in the first sentence, except admits that over 30,000 wallets
25 were funded during the Fundraiser. The remaining allegations contain legal arguments and
26 conclusions of law to which no response is necessary or required. To the extent any response is
27 required, denies the remaining allegations.

1 132. Contains legal arguments and conclusions of law to which no response is necessary
2 or required. To the extent any response is required, denies, except denies knowledge or
3 information sufficient to form a belief as to the truth of the allegations in the third sentence.

4 133. Contains legal arguments and conclusions of law to which no response is necessary
5 or required. To the extent any response is required, denies knowledge or information sufficient to
6 form a belief as to the truth of the allegations.

7 134. Contains legal arguments and conclusions of law to which no response is necessary
8 or required. To the extent any response is required, denies.

9 135. Contains legal arguments and conclusions of law to which no response is necessary
10 or required. To the extent any response is required, denies.

11 136. Contains legal arguments and conclusions of law to which no response is necessary
12 or required. To the extent any response is required, denies.

13 137. The Foundation incorporates by reference and restates its responses as set forth in
14 paragraphs 1 to 136 of this Answer.

15 138. Contains legal arguments and conclusions of law to which no response is necessary
16 or required.

17 139. Contains legal arguments and conclusions of law to which no response is necessary
18 or required. To the extent any response is required, denies.

19 140. Contains legal arguments and conclusions of law to which no response is necessary
20 or required. To the extent any response is required, denies.

21 141. Contains legal arguments and conclusions of law to which no response is necessary
22 or required. To the extent any response is required, denies.

23 142. Contains legal arguments and conclusions of law to which no response is necessary
24 or required. To the extent any response is required, denies, except admits that no registration
25 statement was filed with the SEC in connection with the Fundraiser.

26 143. Contains legal arguments and conclusions of law to which no response is necessary
27 or required. To the extent any response is required, denies.

28

1 144. The Foundation incorporates by reference and restates its responses as set forth in
2 paragraphs 1 to 143 of this Answer.

3 145. Contains legal arguments and conclusions of law and is not directed at the
4 Foundation, and thus no response is required.

5 146. Contains legal arguments and conclusions of law and is not directed at the
6 Foundation, and thus no response is required. To the extent any response is required, denies.

7 147. Contains legal arguments and conclusions of law and is not directed at the
8 Foundation, and thus no response is required. To the extent any response is required, denies.

9 148. Contains legal arguments and conclusions of law and is not directed at the
10 Foundation, and thus no response is required. To the extent any response is required, denies.

11 149. Contains legal arguments and conclusions of law and is not directed at the
12 Foundation, and thus no response is required. To the extent any response is required, denies.

13 150. Contains legal arguments and conclusions of law and is not directed at the
14 Foundation, and thus no response is required. To the extent any response is required, denies.

DEFENSES

16 Without assuming any burden that it would not otherwise bear, the Foundation asserts the
17 following defenses to Lead Plaintiff's Consolidated Complaint.

First Defense

19 ||| Lack of standing bars Lead Plaintiff's claims.

Second Defense

21 Lead Plaintiff is precluded from any recovery asserted in the Consolidated Complaint
22 because Lead Plaintiff has sustained no injury or damages whatsoever as a result of any acts
23 committed by Foundation or purportedly chargeable to the Foundation.

Third Defense

25 ||| Lack of jurisdiction over the Foundation bars Lead Plaintiff's claims as to the Foundation.

Fourth Defense

27 Lead Plaintiff's claims are barred because he agreed to a different forum for the resolution
28 of his claims.

Fifth Defense

The Consolidated Complaint should be dismissed on grounds of *forum non conveniens*.

Sixth Defense

Lead Plaintiff's claims are barred because Lead Plaintiff's contribution to the Foundation constituted a foreign transaction, to which the U.S. securities laws do not apply.

Seventh Defense

Lead Plaintiff claims are barred because he agreed that Swiss Law, not U.S. law, would apply to any dispute arising out of or in connection with his contribution.

Eighth Defense

The Consolidated Complaint fails to state facts sufficient to state a claim upon which relief can be granted.

Ninth Defense

Lead Plaintiff's claims are barred because he has not adequately tendered his tokens as required by Section 12(a)(1) of the Securities Act of 1933.

Tenth Defense

Lead Plaintiff's claims are barred because the Foundation is not a "seller" within the meaning of Section 12(a)(1) of the Securities Act of 1933.

Eleventh Defense

Lead Plaintiff's claims are barred because the Tezos token is not a security as defined under the federal securities laws.

Twelfth Defense

Lead Plaintiff's claims are barred because, assuming that the transactions described herein were "securities" as defined under the federal securities laws—which is denied—such transactions were exempt from registration.

Thirteenth Defense

Lead Plaintiff's claims are barred to the extent that the alleged offer or sale of a security did not involve the use of interstate commerce or the mails.

Fourteenth Defense

Lead Plaintiff's claims are barred because no wrongful conduct attributable to Foundation was the cause-in-fact or proximate cause of any injury or damage that Lead Plaintiffs purportedly sustained. To the extent that Lead Plaintiff sustained any injury or damage as alleged in the Consolidated Complaint, which is denied, any such injury or damage was caused and brought about by other factors, including, but not limited to, economic factors and/or the acts, conduct or omissions of individuals and/or entities other than the Foundation.

Fifteenth Defense

9 The Consolidated Complaint and each and every purported claim therein are barred by the
10 doctrine of third party liability. If Lead Plaintiff sustained any loss, injury, or damages, equitable
11 or legal, these were contributed to by, incurred as a result of, and directly and proximately caused
12 by the breach, acts, omissions, negligence, recklessness, failure to exercise due care, and/or
13 intentional acts of one or more third parties, not the Foundation.

Sixteenth Defense

15 Lead Plaintiff's claims are barred in whole or in part because the Foundation acted in good
16 faith, exercised reasonable care, and complied with any duties owed to Lead Plaintiff with respect
17 to matters alleged in the Consolidated Complaint.

Seventeenth Defense

Lead Plaintiff's claims are barred, in whole or in part, under the doctrine of *in pari delicto*.

Eighteenth Defense

21 Lead Plaintiff's claims are barred by the doctrines of waiver, estoppel, unclean hands and/or
22 laches.

Nineteenth Defense

24 Lead Plaintiff fails to allege the specific damages he has suffered, and any damages Lead
25 Plaintiff alleges to have suffered from the matters alleged in the Consolidated Complaint are too
26 remote, uncertain, or speculative to allow recovery.

Twentieth Defense

2 Other defendants and/or their agents and employees were comparatively at fault and, should
3 Lead Plaintiff recover damages against the Foundation, then the Foundation is entitled to have the
4 amount abated, reduced, or eliminated.

Twenty-First Defense

6 No basis in contract, case law, or statute exists for Lead Plaintiff's claim for prejudgment
7 interest.

Twenty-Second Defense

9 No basis in contract, case law, or statute exists for Lead Plaintiff's claim for attorneys' fees
10 and costs of suit, including expert fees.

Twenty-Third Defense

12 No basis in contract, case law, or statute exists for Lead Plaintiff's claim for a constructive
13 trust.

Twenty-Fourth Defense

15 No basis in contract, case law, or statute exists for Lead Plaintiff's claim for an accounting
16 of remaining assets and funds raised by the Foundation during the Fundraiser.

Twenty-Fifth Defense

18 Any recovery by Lead Plaintiff is barred, in whole or in part, by Lead Plaintiff's failure to
19 mitigate his purported damages.

Twenty-Sixth Defense

21 Lead Plaintiff would be improperly and unjustly enriched were he allowed to recover any
22 relief claimed to be due.

Twenty-Seventh Defense

24 Lead Plaintiff's claims are barred, in whole or in part, by the Contribution Terms, including
25 but not limited to his representations, acknowledgements, and agreements pursuant thereto.

Twenty-Eighth Defense

27 Lead Plaintiff's claims are barred, in whole or in part, by the existence of sufficient
28 remedies at law.

Twenty-Ninth Defense

Lead Plaintiff's claims may not be maintained as a class action because Lead Plaintiff waived the right to participate in a class action lawsuit against the Foundation.

Thirtieth Defense

Lead Plaintiff's claims may not be maintained as a class action for failure to satisfy the requirements of Federal Rule of Civil Procedure 23.

Thirty-First Defense

8 The Foundation hereby reserves and asserts all affirmative defenses available under federal
9 law. The Foundation presently has insufficient knowledge or information as to whether it may
10 have other, as yet unstated, affirmative defenses in the event that discovery indicates that it would
11 be appropriate, including at later enforcement stages of this proceeding, if necessary.

PRAYER FOR RELIEF

WHEREFORE, the Foundation prays as follows:

1. That the Consolidated Complaint be dismissed with prejudice;
2. That the Court enter judgment in favor of the Foundation;
3. That the Court award the Foundation its costs and expenses, including attorneys' fees; and
4. That the Court award further relief as deemed just and proper.

1 Dated: September 14, 2018

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